

Message Text

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44

ACTION NEA-12

INFO OCT-01 AF-10 EUR-25 ADP-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-15 FAA-00 CAB-09 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

INT-08 SCEM-02 IO-13 RSR-01 /211 W

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R 171055Z AUG 73

FM USINT CAIRO

TO SECSTATE WASHDC 3620

INFO AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMCONSUL JERUSALEM

AMEMBASSY JIDDA

AMEMBASSY KHARTOUM

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

USMISSION USUN

C O N F I D E N T I A L CAIRO 2494

EO 11652: GDS

TAGS: PFOR EG

SUBJECT: CAIRO PRESS NOTES

1. MEA HIGHJACKING. CAIRO PRESS EVINCES MIXED REACTIONS. AHAM NOTES EPISODE AS BEING "MYSTERIOUS," WHILE AKHBAR HEADLINES THAT IT WAS ISRAELIS WHO COMMITTED THE DEED. PRESS IS GENERALLY SKEPTICAL ABOUT REPORTS THAT HIGHJACKER WAS ARAB.

2. SADAT MET AUGUST 16 WITH FAISAL'S ADVISOR KAMEL ADHAM, CONFIDENTIAL

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DEPUTY PRIMIN HEGAZI AND ASHRAF MARWAN. PRESS REPORTING

DOES NOT ELABORATE.

3. ECONOMIC LIBERALIZATION. PRESS REPORTS THAT AT ALEXANDRIA MEETING ON ASU/PA WORKING PAPER AUGUST 16, EGYPTIAN INTERNATIONAL BANK CHAIRMAN KAISSOUNI CALLED FOR CREATION OF FREE STOCK EXCHANGE, TO ENCOURAGE ARAB AND FOREIGN INVESTMENT. KAISSOUNI SAID HE UNDERSTOOD THAT THIS COULD BE CALLED A NON-SOCIALIST PROPOSAL, BUT INFLUENTIAL PA MEMBER WHO WAS PRESENT SAID KAISSOUNI'S IDEA IS ACCEPTABLE AND SUPPORTED BY LARGE SEGMENTS OF COUNTRY, AND "WE HOPE TO IMPLEMENT IT." IN SEPARATE DEVELOPMENT, PEOPLES ASSEMBLY DISCUSSED EGYPTIAN ECONOMIC POTENTIAL. CHAIRMAN OF SESSION ASKED THAT VARIOUS EGYPTIAN COMPANIES OFFER SHARES OF STOCK TO THE PUBLIC AND THAT PROVISIONS BE MADE FOR WORKERS OF THESE COMPANIES TO PURCHASE STOCK.

4. HEYKAL'S ARTICLE OF AUGUST 17 CONCERNS OIL AND MONEY. HE RECALLS THAT BEFORE 1967, US OIL INTERESTS ATTEMPTED TO .EZUE "NEW FORCES OF ARAB REVOLUTION" SWEEPING THE AREA; BUT WITH JUNE WAR, ISRAEL SET ITSELF UP AS AMERICAN SURROGATE IN ME, CONVINCING US THAT SHE WOULD BE DEFENDER OF US INTERESTS IN AREA. HEYKAL STATES THAT SUBSEQUENTLY, US HAS ATTEMPTED TO GUARANTEE ARAB WEALTH, ARAB OIL AND ARAB POWER REMAIN WITHIN AMERICA'S GRASP. HEYKAL OUTLINES THREE "GOLDEN CHAINS" WHICH LINK ARAB WORLD TO US: PARTICIPATION, DOWNSTREAM INVESTMENT, AND ARMS. HE DECRIES PARTICIPATION AS PROPAGANDA SINCE PARTNER STATES WILL NOT USE OIL AS MEANS OF POLITICAL PRESSURE. HE IS EQUALLY UNENTHUSIASTIC ABOUT DOWNSTREAM INVESTMENT, SINCE SUCH A PLAN WOULD TIE OIL PRODUCERS TO US. HEYKARAGURE" HE MET IN PARIS WHO TOLD HIM THAT IF ARABS DEMANDED PAYMENT FOR OIL IN GOLD, AMERICA WOULD BE DOWN ON HER KNEES. (COMMENT: HEKAL'S ARTICLE IS STRONG CRITICISM OF ARAB OIL POLICY, AND APPEARS TO BE AIMED DIRECTLY AT SAUDI ARABIA. WE ESTIMATE THAT SAUDIS WILL NOT BE AMUSED BY HEYKAL'S GAME. THEIR UNAMUSEMENT MAY BE REFLECTED IN SHARP WORDS TO SADAT ABOUT HEYKAL, WHO CONTINUES TO PLACE DISTANCE BETWEEN HIMSELF AND CURRENT EGYPTIAN POLICY.)

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973CAIRO02494
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS WILEY
Errors: N/A
Film Number: n/a
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730832/aaaaaxgo.tel
Line Count: 108
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 10 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10-Dec-2001 by martinml>; APPROVED <04-Jan-2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CAIRO PRESS NOTES
TAGS: PFOR, EG
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005